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MICHIGAN LABOR MARKET REVIEW

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UNEMPLOYMENT DECREASES AS SUMMER COMES TO AN END

The Michigan unemployment rate fell by three-tenths of a percentage point as the jobless rate declined from 7.7 percent in July to 7.4 percent in August. The rate decrease represents 14,000 fewer individuals out of work, as total state residents seeking employment dropped to 349,000. The decline in joblessness was primarily a result of seasonal employment gains in the vacation and recreation industries. Total employment in August registered an increase as the number of employed state residents jumped by 22,000 to reach 4,348,000. Additionally, the civilian labor force climbed to 4,697,000, a hike of 8,000. Compared with a year ago, employment in Michigan has dropped by 31,000, while the size of the labor force has edged upward by 6,000. In August 1989, the total number of persons out of work amounted to 312,000, representing an unemployment rate of 6.7 percent.

SEASONAL DROP IN PUBLIC SECTOR EMPLOYMENT

Total nonagricultural wage and salary employment in Michigan fell as industry jobs declined to 3,877,000 in August. Employment opportunities moved downward by approximately 21,000 as losses were centered in both the goods producing and service producing sectors of the economy. Total employment in the goods producing industries dipped by 8,000 primarily as a result of declines in the manufacturing and construction industries. Service producing employment decreased by 13,000 to 2,791,000 in August, as losses in government accounted for most of the movement downward. Public sector positions contracted by 10,000 as federal and local authorities released personnel temporarily employed in summer youth programs. Since August 1989, industry employment in Michigan has decreased by 10,000 positions or 2.6 percent. Approximately 40,000 goods producing jobs have been lost throughout the year, while service producing employment increased by 29,000.

Civilian Labor Force, Employment, and Unemployment Estimates

State of Michigan

ITEM	AUG 1990	JUL 1990	JUN 1990	AUG 1989
PLACE OF RESIDENCE				
Civilian Labor Force	4697	4689	4664	4691
Employment	4348	4326	4315	4379
Unemployment	349	363	349	312
Rate	7.4	7.7	7.5	6.7
PLACE OF WORK				
Wage and Salary Employment	3877	3898	3947	3887
Goods Producing Industries	1085	1093	1106	1125
Construction	145	147	144	152
Manufacturing	931	936	951	962
Durable Goods	693	699	715	722
Lumber and Wood Products	16	16	16	16
Furniture and Fixtures	36	36	36	36
Stone, Clay and Glass	18	18	18	18
Primary Metals	42	42	43	45
Fabricated Metals	121	121	124	122
Industrial Machinery	121	121	122	125
Electrical Machinery	32	33	33	35
Transportation Equipment	280	287	296	301
Motor Vehicles and Equipment	262	268	277	283
Nondurable Goods	238	237	236	240
Food and Kindred Products	50	48	46	50
Textiles and Apparel	21	21	22	21
Paper and Allied Products	21	21	21	21
Printing and Publishing	45	44	45	45
Chemicals and Allied Products	46	46	46	45
Rubber and Misc. Plastics	51	51	52	52
Service Producing Industries	2791	2804	2841	2762
Trans., Comm. and Utilities	156	156	155	153
Wholesale Trade	202	203	203	201
Durable Goods	127	129	130	130
Nondurable Goods	75	75	74	71
Retail Trade	738	739	735	733
General Merchandise Stores	106	107	107	109
Food Stores	105	105	105	103
Auto. Dealers and Serv. Stns.	80	80	80	80
Apparel and Access. Stores	41	41	41	41
Eating and Drinking Places	264	264	259	258
Finance, Insurance and Real Estate	195	195	194	192
Services	925	926	926	912
Hotels and Lodging Places	36	36	35	36
Personal Services	39	39	39	37
Business Services	176	176	179	175
Health Services	297	297	296	290
Social Services	58	59	61	57
Government	576	586	629	571
Federal	62	66	65	62
State	152	152	155	149
Local	363	368	408	361
Labor Disputes	0	0	0	0

CIVILIAN LABOR FORCE data are based on the monthly Current Population Survey of the U.S. Bureau of Labor Statistics - 1989 Benchmark.
WAGE AND SALARY EMPLOYMENT is based on a monthly sample of employing establishments as part of the cooperative federal-state Current Employment Statistics program - March 1989 Benchmark.
Suppressed data included in: X=Totals, A=Other Durable Goods, B=Other Nondurable Goods.
Due to the suppression of data, the industry estimates do not sum to the total wage and salary estimate.

CLAIMS ACTIVITY

The number of individuals collecting regular unemployment benefits increased in the month of August. The regular benefits claims load averaged 98,938 per week during the month, approximately 1,793 more than the July total. The 1.8 percent increase was primarily due to employment declines in manufacturing, trade and services. In August 1989, the number of claimants drawing benefits under the regular benefit program averaged 113,406.

WEEKLY CLAIMS FOR UNEMPLOYMENT INSURANCE

Week Ending	Michigan			Detroit		
	Total	Initial	Continued	Total	Initial	Continued
August 04, 1990	113,900	18,400	95,500	46,800	7,700	39,100
August 11, 1990	104,400	16,600	87,800	44,400	6,700	37,700
August 18, 1990	110,200	20,300	89,900	48,200	8,900	39,300
August 25, 1990	104,100	16,000	88,100	46,500	7,400	39,100

DETROIT AREA COST OF LIVING INCREASES BY 1.3 PERCENT OVER JUNE

Consumer prices in the Detroit metropolitan area increased from 127.7 in July to 129.4 in August. The increase in Detroit area prices was primarily due to higher costs for housing, transportation and apparel and upkeep. Prices in the area climbed by 5.9 percent since August 1989, when the consumer price index stood at 122.2. At the national level, the cost of living advanced by nine-tenths of a percent to reach 131.6 during the month of August. The higher national prices were also due to additional costs for transportation, apparel and upkeep and medical care. Between August 1989 and August 1990, national consumer prices increased by 5.6 percent. One year ago, the national index registered 124.6. Note: Beginning in January 1987, the Consumer Price Indexes were shifted to a new reference base year. All indexes expressed on a 1967=100, were rebased to 1982-1984=100.

HOURS AND EARNINGS

The average workweek of Michigan workers in manufacturing industries decreased to 40.0 hours in August. The decrease occurred primarily as a result of fewer hours worked by individuals in the primary metals industry. During the month average hourly earnings dropped by eight cents to $15.79, while average weekly earnings decreased by $4.79 to total $631.60. In August 1989, earnings averaged $15.49 an hour or $624.25 per week for a 40.3 hour workweek.

MICHIGAN'S HOURS AND EARNINGS

Industry	Average Weekly Earnings a/			Average Weekly Hours a/			Average Hourly Earnings a/		
	Aug 1990	Jul 1990	Aug 1989	Aug 1990	Jul 1990	Aug 1989	Aug 1990	Jul 1990	Aug 1989
TOTAL MANUFACTURING	$631.60	$636.39	$624.25	40.0	40.1	40.3	$15.79	$15.87	$15.49
DURABLE GOODS	617.10	604.45	592.77	42.5	41.6	42.1	14.52	14.53	14.08
Primary Metal Products	642.64	667.30	592.49	42.9	43.7	42.2	14.98	15.27	14.04
Fabricated Metal Products	574.10	556.10	545.57	42.4	40.8	41.3	13.54	13.63	13.21
Industrial Machinery	584.98	583.51	573.76	43.3	43.0	43.5	13.51	13.57	13.19
Electrical Machinery	505.87	443.25	474.88	43.2	39.4	42.4	11.71	11.25	11.20
Motor Vehicles & Equip.	742.90	719.61	703.49	42.5	41.5	42.1	17.48	17.34	16.71
NONDURABLE GOODS	475.36	464.20	458.71	41.3	40.4	41.4	11.51	11.49	11.08
Construction	631.60	636.39	624.25	40.0	40.1	40.3	15.79	15.87	15.49
Department Stores	202.05	194.26	189.42	28.7	28.4	28.7	7.04	6.84	6.60

a/ *Average weekly and hourly earnings are computed from aggregates of individual establishment reports utilizing the total amount paid to production workers and total production hours. Average weekly and hourly earnings differ from weekly and hourly rates in that they are affected by overtime wage rates, part-time earnings, the length of the workweek, etc.*

Note: *Current month data are preliminary.*

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ESTIMATES
AUGUST 1990 (Preliminary)

Area	Civilian Labor Force	Total Employment	Total Unemployment	Unemployment Rate
United States	126,012,000	119,174,000	6,837,000	5.4
Michigan	4,697,000	4,348,000	349,000	7.4
Major Labor Markets				
Ann Arbor MSA	164,500	155,400	9,100	5.6
Battle Creek MSA	67,400	62,600	4,900	7.2
Benton Harbor MSA	80,700	74,800	5,800	7.2
Detroit MSA	2,209,000	2,040,000	169,000	7.6
Flint MSA	186,200	168,900	17,300	9.3
Grand Rapids MSA	376,800	354,000	22,800	6.0
Jackson MSA	67,300	62,100	5,200	7.7
Kalamazoo MSA	119,800	113,900	5,900	4.9
Lansing MSA	240,600	226,800	13,800	5.7
Muskegon MSA	70,600	64,100	6,500	9.3
Saginaw-Bay-Midland MSA	192,100	178,900	13,200	6.9
Upper Peninsula LMA	148,200	136,300	11,900	8.0
Major Counties (18,000+)				
Allegan	62,350	59,175	3,200	5.1
Barry	23,000	21,425	1,575	6.8
Bay	55,300	51,300	4,000	7.3
Cass	25,750	24,025	1,725	6.7
Clinton	30,875	28,975	1,900	6.2
Eaton	53,350	50,350	3,000	5.6
Grand Traverse	39,800	37,400	2,400	6.0
Gratiot	19,325	17,850	1,475	7.6
Hillsdale	20,100	18,375	1,750	8.6
Ingham	156,425	147,525	8,900	5.7
Ionia	21,050	18,350	2,700	12.8
Isabella	31,925	30,525	1,400	4.4
Kent	275,475	258,025	17,450	6.3
Lapeer	35,000	31,600	3,400	9.7
Lenawee	44,475	40,925	3,575	8.0
Livingston	57,075	53,550	3,525	6.2
Macomb	384,925	356,400	28,525	7.4
Marquette	30,625	28,175	2,450	8.0
Midland	37,450	35,400	2,050	5.5
Monroe	65,825	60,675	5,150	7.8
Montcalm	25,425	21,150	4,275	16.8
Oakland	592,125	558,175	33,950	5.7
Ottawa	101,350	96,000	5,350	5.3
Saginaw	99,350	92,225	7,125	7.2
St. Clair	68,050	62,400	5,675	8.3
St. Joseph	29,700	26,850	2,850	9.6
Sanilac	21,550	19,775	1,775	8.3
Shiawassee	36,575	33,425	3,175	8.7
Tuscola	25,475	23,125	2,350	9.2
Van Buren	35,875	32,900	3,000	8.3
Wayne	1,006,275	917,500	88,775	8.8

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SECURITY COMMISSION
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